

DEPARTMENT OF CALIFORNIA HIGHWAY PATROL

**COMMAND AUDIT OF THE
EAST LOS ANGELES AREA**



FINAL REPORT

JUNE 7, 2010

M e m o r a n d u m

Date: June 7, 2010

To: Office of the Commissioner

Attention: Commissioner J. A. Farrow

From: **DEPARTMENT OF CALIFORNIA HIGHWAY PATROL**
Office of the Assistant Commissioner, Inspector General

File No.: 005.9968.A13471.010

Subject: FINAL 2009 COMMAND AUDIT REPORT OF THE
EAST LOS ANGELES AREA

In accordance with the Institute of Internal Auditors, *International Standards for the Professional Practice of Internal Auditing* §2440, issued by the Institute of Internal Auditors, Government Code §13887(a)(2), and the California Highway Patrol Audit Charter, I am issuing the 2009 Command Audit Report of the East Los Angeles Area. The audit focused on the command's Driving Under the Influence and Asset Forfeiture Programs.

The audit revealed the command has adequate operations. However, some issues were observed. This report presents suggestions for management to improve on some of its operations. In doing so, operations would be strengthened and the command would ensure it is operating in compliance with policies and procedures. We have included our specific findings, recommendations, and other pertinent information in the report. The East Los Angeles Area agreed with all of the findings and plans to take corrective action to improve its operations.

East Los Angeles Area will be required to provide a 30 day, 60 day, six month, and one year response on its corrective action plan implementation. If identified issues are resolved and addressed during any phase of the above reporting period, no future action is required on their behalf. Also, the Office of Inspections plans on conducting a follow-up review within one year from the date of the final report.

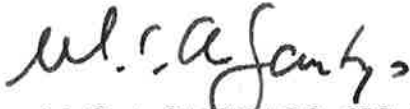
Additionally, in accordance with the *International Standards for the Professional Practice of Internal Auditing* and Government Code §13887(a)(2), this report, the response, and any follow-up documentation is intended for the Office of the Commissioner; Office of the Assistant Commissioner, Field; Office of the Assistant Commissioner, Inspector General; Office of Legal Affairs; Office of Inspections; Southern Division; and the East Los Angeles Area. Please note this report restriction is not meant to limit distribution of the report, which is a matter of public record pursuant to Government Code §6250 et seq.

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Furthermore, in accordance with the Governor's Executive Order S-20-09 to increase government transparency, the final audit report, including the response to the draft audit report, will be posted on the CHP's internet website, and on the Office of the Governor's webpage, located on the State's Government website.

The Office of Inspections would like to thank East Los Angeles Area's management and staff for their cooperation during the audit. If you need further information, please contact Captain Ernie Sanchez at (916) 843-3160.

A handwritten signature in black ink, appearing to read "M. C. A. Santiago".

M. C. A. SANTIAGO, CIG, CLEA
Assistant Commissioner

cc: Office of the Assistant Commissioner, Field
Southern Division
East Los Angeles Area
Office of Legal Affairs
Office of Inspections, Audits Unit

BUSINESS, TRANSPORTATION AND HOUSING AGENCY

DEPARTMENT OF CALIFORNIA HIGHWAY PATROL

COMMAND AUDIT OF THE EAST LOS ANGELES AREA

OFFICE OF INSPECTIONS, AUDITS UNIT

JUNE 7, 2010

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EXECUTIVE SUMMARY

The Commissioner has the responsibility, by statute, to enforce laws regulating the operation of vehicles and use of highways in the State of California and to provide the highest level of safety, service, and security to the people of California. Consistent with the California Highway Patrol's (CHP) 2009 Audit Plan, the Office of the Commissioner directed the Office of Inspections, Audits Unit, to perform an audit of the East Los Angeles Area.

The CHP's 2008-2010 Strategic Plan highlights the mission statement which includes five broad strategic goals designed to guide the CHP's direction. One strategic goal is to continuously look for ways to increase the efficiency and/or effectiveness of departmental operations.

The objective of the audit is to determine if the command has complied with operational policies and procedure regarding the Driving Under the Influence (DUI) Cost Recovery and Asset Forfeiture Programs. Additionally, this audit will provide managers with reasonable, but not absolute, assurance that departmental operations are being properly executed. The audit scope period was from January 1, 2008 through February 28, 2009. However, to provide a current evaluation of the command, primary testing was performed of business conducted during the period of September 1, 2008, through February 28, 2009. The audit included a review of existing policies and procedures, as well as, the examining and testing of recorded transaction to determine compliance with established policies, procedures, and good business practices. The audit field work was conducted from April 13 - 17, 2009.

Sample selection for this audit was primarily random. However, if a judgmental sample was necessary, the auditor selected accordingly. Whenever possible, the use of risk assessment was used to select a sample containing the highest probability of risk to the command.

Based on the review of the East Los Angeles Area's operations, this audit revealed the East Los Angeles Area has complied with most operational policies. However, some issues were observed. The following is a summary of the identified issues:

Asset Forfeiture Program

- The command Asset Forfeiture Coordinator has not received and/or provided training to the command staff on an annual basis.

DUI Cost Recovery Program

- The command's CHP 415, Daily Field Records did not contain the offender's name, court case number, and did not properly record the number of billable staff hours.

Please refer to the Findings and Recommendations section for detailed information.

AUDIT REPORT

INTRODUCTION

To ensure the California Highway Patrol's (CHP) operation is efficient and/or effective and internal controls are in place and operational, the Office of the Commissioner directed the Office of Inspections, Audits Unit, to perform an audit of the East Los Angeles Area.

The CHP's 2008-2010 Strategic Plan highlights the mission statement which includes five broad strategic goals designed to guide the CHP's direction. One strategic goal is to continuously look for ways to improve the efficiency and/or effectiveness of departmental operations. This audit will assist the CHP in meeting its goal.

OBJECTIVE AND SCOPE

The objective of the evaluation is to determine if the command has complied with operational policies and procedures regarding the Driving Under the Influence (DUI) Cost Recovery and Asset Forfeiture Programs that provide managers with reasonable, but not absolute, assurance departmental operations are being properly executed. The audit period was from January 1, 2008 through February 28, 2009. However, to provide a current evaluation of the command, primary testing was performed of business conducted during the period September 1, 2008 through February 28, 2009. This audit included the review of existing policies and procedures, as well as, examining and testing recorded transactions to determine compliance with established policies, procedures, and good business practices. The audit field work was conducted from April 13 - 17, 2009.

METHODOLOGY

Under the direction by the Office of the Commissioner, each command was randomly selected to be audited regarding its DUI Cost Recovery and Asset Forfeiture Programs. Sample selection of areas to be audited was primarily random or judgmental. Whenever possible, the use of risk assessment was used to select a sample containing the highest probability of risk to the command.

There were no prior audit reports and findings.

OVERVIEW

DUI Cost Recovery Program: The command was compliant with state laws and most departmental policies and had adequate internal controls regarding their DUI Cost Recovery program. However, of the 69 randomly selected DUI Cost Recovery Program billing packages, 17, CHP 735s forms (24%) were missing supporting documentation, such as the CHP 555, Traffic Collision Report or the CHP 202, Driving Under the Influence Arrest-Investigation

Report. The command's CHP 415, Daily Field Records did not contain the offender's name, court case number, and did not properly record the number of billable staff hours.

Asset Forfeiture Program: The command was compliant with state laws and most departmental policies and has adequate internal controls regarding their Asset Forfeiture (AF) Program. However, the command's AF coordinator has not received and/or provided training to the command's staff on an annual basis.

This audit revealed the command has adequate operations, nevertheless, issues were discovered, which if left unchecked could have a negative impact on the command and CHP operations. These issues should be addressed by management to maintain the command's compliance with appropriate laws, regulations, policies, and procedures. The issues and appropriate recommendations are presented in this report.

As a result of changing conditions and the degree of compliance with policies and procedures, the efficiency and effectiveness of operations change over time. Specific limitations may hinder the efficiency and effectiveness of an otherwise adequate operation include, but are not limited to, resource constraints, faulty judgments, unintentional errors, circumvention by collusion, fraud, and management overrides. Establishing compliant and safe operations and sound internal controls would prevent or reduce these limitations; moreover, an audit may not always detect these limitations.

FINDING AND RECOMMENDATIONS

DRIVING UNDER THE INFLUENCE (DUI) COST RECOVERY PROGRAM

FINDING 1: The command's CHP 415, Daily Field Records did not contain the offender's name, court case number, and did not properly record the number of billable staff hours.

Condition: Based on the review of 69 DUI Cost Recovery cases in the audit period of September 1, 2008 throughout February 28, 2009, the audit revealed that 69 (100 percent) of the CHP 415, Daily Field Records did not record the offender's name, court case number, and billable DUI staff time in the Notes portion as required by policy.

Criteria: Highway Patrol Manual 11.1 (HPM), Administrative Procedures Manual, Chapter 20, DUI Cost Recovery Program, paragraph 4(e)(2)(c)1 and 4(e)(2)(c)2 states:

"1 Offender's name and court case number shall be included on the CHP 415, Daily Field Record."

"2 When time recorded under a specific category (e.g., Accident Investigation, Partner Assist, Response Time, on the CHP 415, Daily Field Record, includes more than one activity, indicate the billable DUI time in the Notes portion on the CHP 415, Daily Field Record."

Recommendation: The command should comply with departmental policy by including the offender's name, court case number, and number of staff hours in the Notes portion of the CHP 415, Daily Field Record.

ASSET FORFEITURE PROGRAM

FINDING 1: The command's Asset Forfeiture Coordinator (AFC) has not received and/or provided training to the command staff on an annual basis.

Condition: The command's AFC was not trained by the Division AFC in 2008. Additionally, the command's AFC did not provide training for command's supervisors, officers, and affected non-uniformed personnel for 2008.

Criteria: HPM 81.5, Chapter 2, Asset Forfeiture Program, paragraph 21.a. states:

"a. In order to ensure uniformity throughout the Department, Division AFCs shall receive annual training from the departmental AFC coordinator in FSS. The training will encompass asset forfeiture laws, pending state and/or federal legislation relating to asset forfeiture,

departmental policies, and procedures. Division AFCs will in turn provide annual training to Area AFC, uniformed employees assigned to NTFs, canine handlers, and affected non-uniformed employees involved with asset forfeiture.”

HPM 81.5, Chapter 2, Asset Forfeiture Program, paragraph 21.b. states:

“b. Area AFCs shall provide training for Area supervisors, officers, and affected non-uniformed personnel at least once a year. Area AFC shall ensure officers are made aware of local MOUs with allied agencies/NTFs regarding turnover of arrests for controlled substance violations and are familiar with the legal requirements and departmental policies/procedures related to the seizures of assets.”

Recommendation: The command should comply with departmental policy regarding attending and providing timely asset forfeiture training.

CONCLUSION

Based on the review of the command's operation, this audit revealed the command has adequate operations. However, some issues were observed. This report presents suggestions for management to improve on some of its operations. In doing so, operations would be strengthened and the command would operate in accordance with departmental policies and procedures.

ANNEX

A

M e m o r a n d u m

Date: May 6, 2010

To: Southern Division

From: **DEPARTMENT OF CALIFORNIA HIGHWAY PATROL**
East Los Angeles

File No.: 535.12947.13637

Subject: RESPONSE TO DRAFT 2009 COMMAND AUDIT REPORT OF EAST LOS ANGELES AREA

The attached memorandum is in response to the draft command audit of the East Los Angeles Area's DUI Cost Recovery Program and Asset Forfeiture Program as required by the Office of the Assistant Commissioner, Inspector General's memorandum dated April 16, 2010.

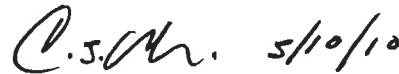
Please review the Area's findings and forward to the Office of the Assistant Commissioner, Inspector General.

Questions regarding this response may be directed to Lieutenant H. Currie, #12048, or Sergeant C. Johnson, #13637, at the East Los Angeles Area.


G. A. PECK, Captain
Commander

RECEIVED
MAY 21 2010

BY: 

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APPROVED
C. S. KLEIN, Assistant Chief
Southern Division

Safety, Service, and Security

ANNEX

B

M e m o r a n d u m

Date: May 6, 2010

To: Office of the Assistant Commissioner, Inspector General

From: **DEPARTMENT OF CALIFORNIA HIGHWAY PATROL**
East Los Angeles

File No.: 535.12947.13637

Subject: RESPONSE TO DRAFT 2009 COMMAND AUDIT REPORT OF EAST LOS ANGELES AREA

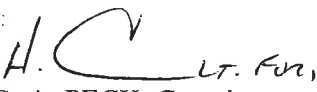
This memorandum is intended to serve as the written response to the draft command audit of the East Los Angeles Area's DUI Cost Recovery Program and Asset Forfeiture Program as required by the Office of the Assistant Commissioner, Inspector General's memorandum dated April 16, 2010.

FINDINGS REQUIRING FOLLOW-UP:

Finding 1 – Agree. The East Los Angeles Area has updated its administrative assignments and assigned a specific sergeant to review all CHP 735's submitted. The sergeant will verify the offender's name, court case number, and billable hours are documented on each officer's daily CHP 415 (Daily Field Record). The Area has further assigned an officer to process all CHP 735's and double check that all data is complete before sending to Sacramento.

Finding 2 – Agree. At the time of this audit, the Area did not have a trained Asset Forfeiture coordinator. Sergeant Joseph Johnson, #14756, has since been assigned and is trained in Asset Forfeiture procedures. He has attended annual training for the last eight years in his previous command and is proficient in asset forfeiture procedures. He has not attended training in the last year. On May 4, 2010, a COMMNET message was released announcing training for division coordinators to receive refresher training, and upon completion, the division coordinators will then train Area A/F coordinators. Sergeant J. Johnson will contact the Division A/F coordinator and notify him of his need for A/F training. In addition, Sergeant J. Johnson has scheduled A/F training at the upcoming Area staff meeting and third quarter training days.

Questions regarding this response may be directed to Lieutenant H. Currie, #12048, or Sergeant C. Johnson, #13637, at the East Los Angeles Area.


G. A. PECK, Captain
Commander

Safety, Service, and Security